S6615-2

FEBRUARY 1991

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Dec.	1990	6.3
Nov.	1990	6.0
Dec.	1989	5.6

United States (Seas. Adj.)

Dec.	1990	6.1
Nov.	1990	5.9
Dec.	1989	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Dec.	1990	133.7
Nov.	1990	133.4
Oct.	1990	133.3
Sept.	1990	133.1
Aug.	1990	133.7

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Nov.	1990	$11.27
Oct.	1990	$11.31
Nov.	1989	$10.83

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Nov.	1990	39.3
Oct.	1990	40.0
Nov.	1989	39.0

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1990	124.9
Yearly change	4.7%
Annual Average 1989	120.4
Yearly change	5.0%
United States	
Dec. 1990	133.8
Yearly change	6.1%
Annual Average 1990	130.7
Yearly change	5.4%

Portland Hotline 326-4132

GULF WAR MINES '91 OUTLOOK

Jeff Hannum

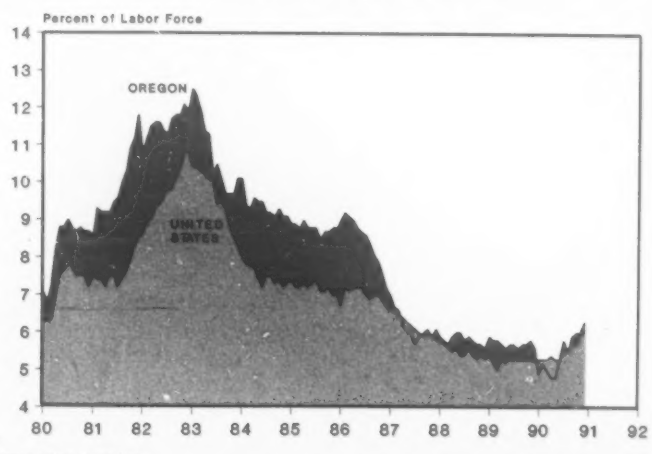
With the nation's attention now locked on war in the Middle East, economic data for December seems to pale in importance. Nevertheless, for those still interested in ancient economic history, let's take a quick look back before trying to figure out what it all means for the economy in 1991.

Although the National Bureau of Economic Research hasn't yet formally declared that the U.S. is in a recession, December data indicates that the average American has already decided that "if it looks like recession, sounds like recession, and feels like recession . . . then it must be a recession!" In any event, the slump, or whatever you choose to call it, gathered momentum in December with many indicators of economic health continuing to fall. From industrial production and retail sales to consumer confidence and housing starts, the nation's economic picture continued to worsen. Labor market data was no exception. Dr. Janet Norwood, Commissioner of the U.S. Bureau of Labor Statistics, summed up December's labor market situation as follows:

". . . the job market continued to deteriorate in December. Unemployment rose another two-tenths of a point. Seventy-five thousand payroll jobs were lost, following two months of even larger losses. The employment weakness was broad-based, affecting most sectors of the economy."

Although Oregon's unemployment rate jumped by three-tenths of a point to 6.3% in December (versus the nation's two-tenths rise to 6.1%), the employment side of the picture was relatively strong. Nonfarm employment gained 2,400 after seasonal adjustment in December pushing the state's employment index up 0.3 to 133.7. This employment indicator now equals the previous all-time high reached last August. It also marked the first time since March 1981 that the employment index, which is based upon 1977 annual average employment equals 100.0, was higher for Oregon than the nation. The U.S. employment index has now declined for the past six months (see accompanying graph).

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	DEC.1/ 1990	NOV.2/ 1990	DEC. 1989	CHANGE FROM NOV. 1990	CHANGE FROM DEC. 1989
TOTAL 5/	1,260,000	1,265,600	1,230,100	- 5,600	29,900
WAGE & SALARY EMPLOYMENT INDEX 6/	133.7	133.4	130.5	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	261,000	265,400	262,700	- 4,400	- 1,700
SERVICE PRODUCING INDUSTRIES 8/	999,000	1,000,200	967,400	- 1,200	31,600
TOTAL MANUFACTURING	210,000	212,400	216,200	- 2,400	- 6,200
DURABLE GOODS	152,000	152,900	159,100	- 900	- 7,100
LUMBER & WOOD PRODUCTS	58,800	59,400	66,700	- 600	- 7,900
LOGGING	10,400	10,500	11,400	- 100	- 1,000
SAWMILLS	19,300	19,400	22,800	- 100	- 3,500
VENEER & PLYWOOD	12,100	12,500	15,900	- 400	- 3,800
MILLWORK & STRUCTURAL WOOD	10,600	10,600	10,500	0	100
MOBILE HOMES	2,200	2,100	1,900	100	300
OTHER WOOD PRODUCTS	4,200	4,300	4,200	- 100	0
FURNITURE AND FIXTURES	3,000	3,000	2,900	0	100
STONE, CLAY, GLASS & CONCRETE	4,200	4,400	4,200	- 200	0
PRIMARY METALS	11,600	11,700	11,300	- 100	300
BLAST FURNACES, IRON & STEEL 9/	6,100	6,100	5,800	0	300
NONFERROUS METALS 9/	5,500	5,600	5,500	- 100	0
FABRICATED METALS	11,500	11,700	11,800	- 200	- 300
FABRICATED STRUCTURAL METALS	4,900	5,200	4,900	- 300	0
OTHER FABRICATED METALS	6,600	6,500	6,900	100	- 300
MACHINERY	16,600	17,000	17,800	- 400	- 1,200
OFFICE & COMPUTING MACHINES	4,400	4,600	4,700	- 200	- 300
OTHER MACHINERY	12,200	12,400	13,100	- 200	- 900
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,300	17,300	16,400	0	900
TRANSPORTATION EQUIPMENT	14,000	13,600	12,100	400	1,900
INSTRUMENTS & RELATED PRODUCTS 9/	11,400	11,100	12,200	300	- 800
MISCELLANEOUS MANUFACTURING	3,600	3,700	3,700	- 100	- 100
NONDURABLE GOODS	58,000	59,500	57,100	- 1,500	900
FOOD & KINDRED PRODUCTS	22,500	23,800	21,500	- 1,300	1,000
CANNING & PRESERVING	11,100	12,100	10,300	- 1,000	800
OTHER FOOD PRODUCTS	11,400	11,700	11,200	- 300	200
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	- 100
APPAREL	2,600	2,600	2,800	0	- 200
PAPER & ALLIED PRODUCTS	9,100	9,100	9,100	0	0
PRINTING & PUBLISHING	14,300	14,400	14,000	- 100	300
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,200	0	100
PETROLEUM & ASPHALT PRODUCTS	500	500	400	0	100
RUBBER & PLASTIC PRODUCTS	4,500	4,600	4,800	- 100	- 300
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	1,050,000	1,053,200	1,013,900	- 3,200	36,100
MINING & QUARRYING	1,300	1,500	1,400	- 200	- 100
CONSTRUCTION	49,700	51,500	45,100	- 1,800	4,600
BUILDING CONSTRUCTION	11,400	11,700	11,100	- 300	300
HEAVY CONSTRUCTION	5,700	6,200	5,400	- 500	300
SPECIAL TRADE CONTRACTORS	32,600	33,600	28,600	- 1,000	4,000
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,200	64,600	65,200	- 400	- 1,000
TRANSPORTATION	43,000	43,400	43,800	- 400	- 800
RAILROAD	3,700	3,800	3,800	- 100	- 100
TRUCKING & WAREHOUSING	24,700	24,800	25,700	- 100	- 1,000
OTHER TRANSPORTATION	14,600	14,800	14,300	- 200	300
COMMUNICATIONS	12,300	12,300	12,500	0	- 200
UTILITIES	8,900	8,900	8,900	0	0
TRADE	333,000	330,100	324,800	2,900	8,200
WHOLESALE TRADE	83,300	83,700	80,500	- 400	2,800
DURABLE GOODS	48,300	48,300	46,900	0	1,400
MACHINERY, EQUIPMENT, & SUPPLIES	11,300	11,300	11,000	0	300
OTHER DURABLE GOODS	37,000	37,000	35,900	0	1,100
NONDURABLE GOODS	35,000	35,400	33,600	- 400	1,400
GROCERIES & RELATED PRODUCTS	13,600	13,800	13,300	- 200	300
OTHER NONDURABLE GOODS	21,400	21,600	20,300	- 200	1,100
RETAIL TRADE	249,700	246,400	244,300	3,300	5,400
BUILDING MATERIALS & GARDEN SUPPLIES	9,300	9,400	8,500	- 100	800
GENERAL MERCHANDISE	34,480	32,200	34,600	2,200	- 200
FOOD STORES	41,600	41,800	41,200	- 200	400
AUTO DEALERS & SERVICE STATIONS	29,200	29,100	28,900	100	300
APPAREL & ACCESSORY STORES	11,500	10,900	11,200	600	300
FURNITURE & HOME FURNISHINGS	10,100	9,900	10,100	200	0
EATING & DRINKING PLACES	85,900	86,600	82,400	- 700	3,500
MISCELLANEOUS RETAIL	27,700	26,500	27,400	1,200	300
FINANCE, INSURANCE, & REAL ESTATE	77,800	77,400	75,400	400	2,400
FINANCE	28,000	28,000	28,000	0	0
INSURANCE	22,300	22,200	22,000	100	300
REAL ESTATE	27,500	27,200	25,400	300	2,100
SERVICES	296,500	296,400	281,100	100	15,400
HOTELS & OTHER LODGING PLACES	18,500	19,100	17,700	- 600	800
PERSONAL SERVICES	10,900	11,100	10,700	- 200	200
BUSINESS SERVICES	48,100	47,700	45,600	400	2,500
AUTOMOTIVE & MISC. REPAIR SERVICES	15,700	15,500	15,200	200	500
MOTION PICTURES & AMUSEMENTS	15,000	13,500	13,700	1,500	1,300
HEALTH SERVICES	88,800	88,600	84,100	200	4,700
LEGAL SERVICES	8,900	8,900	8,600	0	300
PRIVATE EDUCATION	16,100	17,100	14,600	- 1,000	1,500
SOCIAL SERVICES	26,600	26,700	25,500	- 100	1,100
ENGINEERING & MANAGEMENT SERVICES	20,600	20,600	19,100	0	1,500
OTHER SERVICES & NEC	27,300	27,600	26,300	- 300	1,000
GOVERNMENT	227,500	231,700	220,900	- 4,200	6,600
FEDERAL GOVERNMENT	31,700	32,400	32,900	- 700	- 1,200
STATE GOVERNMENT	61,700	62,400	59,600	- 700	2,100
EDUCATION	26,300	26,800	25,500	- 500	800
OTHER STATE	35,400	35,600	34,100	- 200	1,300
LOCAL GOVERNMENT	134,100	136,900	128,400	- 2,800	5,700
EDUCATION	85,300	86,900	82,000	- 1,600	3,300
OTHER LOCAL	48,800	50,000	46,400	- 1,200	2,400
LABOR-MANAGEMENT DISPUTES 10/	0	0	400	0	- 400

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	DEC.1/ 1990	NOV.2/ 1990	DEC. 1989	CHANGE FROM NOV. 1990	CHANGE FROM DEC. 1989
CIVILIAN LABOR FORCE 3/	1,497,500	1,514,600	1,459,500	- 17,100	38,000
UNEMPLOYMENT	90,000	84,700	76,800	5,300	13,200
PERCENT OF LABOR FORCE	6.0	5.6	5.3	XXX	XXX
SEASONALLY ADJUSTED PERCENT	6.3	6.0	5.6	XXX	XXX
TOTAL EMPLOYMENT 4/	1,407,500	1,429,900	1,382,700	- 22,400	24,800

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

Year-to-year job growth, however, continues to weaken for both Oregon and the nation. Nonfarm payroll employment in December was 29,900 above one year ago, the smallest annual job gain for Oregon in the last four years. Despite this slower pace, nonfarm employment was 2.4% above a year ago, a rate which compares very well with most other states as well as the 0.7% national increase over the same period.

December's apparent improvement in the state's job picture reflected fewer layoffs than expected in food and kindred products and construction, two industries that typically have large seasonal job losses in December. In addition, employment trends in services and retail trade were stronger than expected. In fact, general merchandise stores reported the largest November to December employment increase (+2,200) since 1978! Many retailers were slow to add staff in November due to economic worries and the desire to keep a tight rein on their costs. December's strong hiring reflected a delayed response by both consumers and retailers. Also, many stores resorted to heavy pre-Christmas sales promotions to generate more business.

The services sector also performed well in December led by strong gains in amusement and recreational services, especially ski resorts which enjoyed a banner month.

Weak employment areas in December were mainly confined to government (layoffs of temporary elections workers and school employees), transportation (soaring energy costs and a slowing economy), and various manufacturing industries. Job losses in the state's ailing lumber and wood products industry were more moderate in December than in recent months, but seasonally adjusted employment still declined for the ninth straight month. In the past 12 months, nearly 8,000 timber industry workers have lost their jobs. No other industry even comes close to matching this employment drop.

But despite the dismal performance of the state's most important manufacturing industry over the past year and the overall deterioration in economic conditions since Iraq invaded Kuwait last August, 1990 was a fairly good year. Although annual averages mask serious regional disparities between the more diversified metropolitan area economies and timber-dependent rural areas, nonfarm payroll employment statewide rose by 3.3% in 1990, an increase of about 40,000 jobs. Virtually all of the state's major industries, with the notable exception of lumber and wood products, added more workers. Oregon's booming construction industry experienced the fastest expansion (+9.5%) helped by strong population growth (+53,000, or 1.9%) and a continued surge in single-family home construction. Even manufacturing managed to add jobs last year despite heavy layoffs in lumber and wood products. Factory sectors that fared the best were food products, transportation equipment, and electronic equipment. As usual, the service-producing industries (i.e., everything except manufacturing, mining, and construction) added nearly 90% of all new nonfarm payroll jobs last year.

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)

It should be noted that all of these annual changes are based on preliminary estimates. Employment Division research staff are now in the process of making annual benchmark revisions to the industry employment estimates for 1989 and 1990. This primarily involves replacing original sample-based employment estimates with more accurate data from employers' unemployment insurance tax reports. Although this process will not be completed until next month, it appears that Oregon's payroll employment growth over the past year and a half has been a little weaker than originally estimated. Upward employment revisions are most likely in services (especially business services); construction; and finance, insurance, and real estate. Wholesale and retail trade (especially food stores and eating/drinking places), however, appear to have grown much more slowly. We'll have more on the effects of the annual revisions in next month's issue of *Oregon Labor Trends* when the new industry employment series are adopted.

. . . the gap between the "Two Oregons" is likely to grow much worse in the next few years.

Oregon's 1990 labor force and unemployment estimates will also undergo year-end revisions within the next month. Although preliminary data show a dramatic increase in unemployment between the first half (5.0%) and second half (5.9%) of 1990, the average for the full year (5.5%) is not only two-tenths of a point below 1989 but is also the lowest jobless rate Oregon has experienced in over 30 years! A major problem, however, is the wide disparity in unemployment and economic conditions between local areas. For example, preliminary average unemployment rates for 1990 ranged from lows of 3.2% (Gilliam), 3.8% (Benton), and 4.2% (Portland area) to highs of 10.8% (Wheeler), 9.2% (Klamath), and 9.0% (Lake). Considering the poor outlook for many of Oregon's timber-dependent communities, the gap between the "Two Oregons" is likely to grow much worse in the next few years.

What's Ahead For 1991?

Before the Persian Gulf war erupted in mid-January, the economic outlook for 1991 called for a short, mild recession nationally ending sometime this spring. Reasons for this rather optimistic assessment included:

- expectations of a peaceful solution to the Middle East crisis in early 1991 (Strike One!)
- a much less severe oil price shock than in previous recessions due to plentiful world oil supplies and reduced demand (so far . . . so good)
- lower core inflation (i.e., excluding food and energy) now compared with the start of previous recessions (a big plus)
- inventories are unusually low, so a major inventory correction is not likely
- Japan and Germany, two key U.S. trading partners, are not expected to suffer recessions
- the weak dollar helps U.S. exports and tends to reduce imports
- and higher defense spending associated with Operation Desert Shield offsets some of the weakness in the domestic economy

Along with this scenario was the assumption that the Federal Reserve would continue to stimulate the economy with lower interest rates and other measures designed to ease the "credit crunch." This latter problem refers to the inability or unwillingness of many banks to make new loans until they improve their own financial health which has been battered by the savings and loan fiasco, declining asset values (especially real estate), and rising loan delinquencies.

Fiscal policy is assumed to be of little to no help in combating the recession since the federal budget deficit is already ballooning to a new record high and is way "out of synch" with the economy. Furthermore, last fall's congressional budget compromise calls for higher taxes and "reduced" spending over the next several years (unless a recession occurs which could serve as an "escape clause" to the agreement).

The pre-war outlook for the nation's labor market was a couple of quarters of declining employment, reduced labor force participation for many discouraged workers (mostly teenagers), and a modest rise in unemployment to about 6.5% in 1991, followed by slow improvement in 1992 (6.4%) and 1993 (6.2%). The weak economy coupled with a peaceful settlement in the Middle East and subsequent sharp drop in oil prices to near the $20 per barrel range would prevent the development of a wage-price spiral.

Prior to January, the outlook for Oregon also called for a sharp slowdown in economic growth, including a couple of quarters of declining employment and very little (+0.2%) employment gain for 1991. Historically, Oregon is very sensitive to national economic conditions. Although this sensitivity may be lessening due to Oregon's more diversified economy, it is still great.

The main negatives for Oregon in 1991 were expected to be the timber industry (-5,400 jobs) reflecting both lower demand for wood products and reduced timber supplies; construction (-3,600 jobs) due in part to a 20% drop in housing starts following a two-year boom; diversified manufacturing (especially metals, nonelectrical machinery, and scientific instruments) reflecting lower capital spending and business investment nationally; and much slower growth in the various service-producing sectors including trade, services, and government. Reasons for this slowdown include reduced confidence and purchasing power of consumers, multiplier effects from layoffs in other industries, the need to control costs and boost productivity, and expected impacts from voters' approval of Ballot Measure 5. This new law will begin to slash local property taxes in mid-1991 and transfer much of the responsibility for funding local schools to the state government. Since no new revenue sources are likely for at least a year or two, state and local governments will be forced to streamline, reduce, and even eliminate some programs and services beginning in 1991. Employment levels throughout state and local government (perhaps including local schools depending on legislative action) will be affected by layoffs and attrition.

One new potential source of revenue is a sales tax and this option is already receiving much attention from public officials and the media. Whether or not voters will approve a sales tax if given the chance, the mere prospect that Oregon might adopt a sales tax in 1992 may put an immediate damper on further retail expansion, especially in the Portland area. Portland already benefits tremendously from its proximity to Washington which has one of the highest sales taxes in the nation. If this advantage is largely removed, retail sales and employment would surely suffer.

Oregon does have several positive factors, however, that will moderate the impact of the national recession. These include continued strong population growth (+1.8% projected in 1991) due mostly to net in-migration; Oregon's dependence on export markets which should benefit from the weak dollar; and our growing reliance on transfer payments which are primarily made up of retirement income which is not directly affected by economic conditions. In addition, Oregon's technology-based industries are likely to weather the

recession relatively well, especially in light of the emphasis on new and emerging technologies and continued Japanese investment.

Oregon's jobless rate, currently at 6.3%, is likely to average close to 7% in 1991.

The net effect of all these factors is for a sharper slowdown in Oregon's economy in 1991 than nationally, partly because our growth has been so much stronger in the last several years. The construction industry, in particular, has been a major engine of growth ever since 1988. As building activity slows due to contract completions and a downturn in multi-family residential construction, employment in this industry is expected to fall in both 1991 and 1992. Even with big job losses in construction and the timber industry, however, total employment is likely to rise slightly in 1991. Since the state's labor force will be expanding faster than employment, the number of unemployed will increase. Oregon's jobless rate, currently at 6.3%, is likely to average close to 7% in 1991.

War Clouds Outlook

Economic prospects for both Oregon and the nation (not to mention the rest of the world) are now inextricably linked to the outcome of the war with Iraq. Although this is by no means the only problem affecting the outlook, it has moved to center stage due to its pervasive impact on the supply and price of oil, inflation, interest rates, consumer purchasing power, and the world economy in general.

To get an idea of how war may change the economic outlook, the WEFA Group, an East Coast economic consulting firm which provides national forecast advice to Oregon, recently developed two war scenarios. A "short war," assumed to take place in the first quarter of 1991, was considered to be more than twice as likely as a "long war," assumed to last 6 to 9 months. Highlights of the short war scenario are:

- Oil prices would jump to about $40 per barrel during the war (1Q91), then plummet to about $20 in the second quarter and beyond. (As of late January, oil prices are in the low $20s, but this could change quickly.)
- Consumer confidence, purchasing power, and the overall economy would be even weaker during the conflict.
- Following the war, economic recovery would be stronger than originally forecast as oil prices and inflation drop sharply and consumer sentiment and purchasing power rebound. Defense spending is also higher as the military replaces some of its losses.
- The nation's unemployment rate still peaks at about 6.5% this spring (with more discouraged workers dropping out of the labor force), but then declines faster following the war. Annual average unemployment for 1991 is only slightly lower (6.4% vs. 6.5% with no war), but then improves significantly in 1992 (5.9% vs. 6.4%) and 1993 (5.3% vs. 6.2%).

The "long war" scenario (6 to 9 months) takes a greater toll on the economy:

- Oil prices surge to nearly $50 per barrel and remain at or above $30 until 1992 when they stabilize at about $20 following the war.
- Consumer confidence and purchasing power is depressed further while defense spending and the federal budget deficit increase rapidly.
- Short-term interest rates are pushed even lower by the Fed to offset the deeper and longer recession, but long-term rates rise due to higher inflation in 1991 and the uncertainty about future oil supplies and economic conditions in general.
- The nation's unemployment rate climbs to a little over 7% in the second half of this year and in early 1992, averaging 6.9% in both years before declining to 6.1% in 1993.

For a quick comparison of the short and long war scenarios, look at the accompanying graphs prepared by the WEFA Group.

The impact of these two war scenarios on Oregon's economic outlook would probably be very similar. A lengthy war would be especially bad for Oregon due to higher inflation, long-term interest rates, and oil prices; our distance from major markets; weaker construction activity nationally which would further depress the timber industry; reduced exports and imports; and our low dependence on defense spending. Under the long war scenario, Oregon's unemployment could average between 7 and 8 percent in both 1991 and 1992.

So where does this leave us? With the current situation in the Mideast so volatile and uncertain, the range of economic possibilities for the next year or two are unusually great. At the very least, it looks like Oregon's economic and employment growth will slow to a crawl in 1991 and unemployment will climb toward and perhaps over 7%. Beyond that, the outlook gets as murky as a barrel of oil depending upon the course of the war. Welcome to the global economy! □

Alternative Scenarios — Long and Short War

MINIMUM WAGE RISES

Effective January 1, 1991, Oregon has a new minimum wage of $4.75 per hour. This supplants the previous statutory minimum of $4.25 per hour which has been in effect since January 1990. While $4.75 per hour may not seem like much, it is 25% higher than the federal minimum wage.

Additionally, for the first four months of 1991, Oregon will have the distinction of possessing the highest minimum wage of any state in the nation (the "maximum minimum" if you will). Wyoming, on the other hand, has the lowest minimum wage of any state ($1.60 per hour), and this figure has remained unchanged since 1976. It should be noted that many states will increase their minimum wages on April 1, 1991, at which time Alaska's minimum wage will rise to equal Oregon's.

The federal minimum wage, currently at $3.80, is scheduled to rise to $4.25 on April 1, 1991. However, since Oregon's minimum wage is currently higher, all Oregon employers except the federal government are covered by the state's minimum wage law.

Among the primary beneficiaries of Oregon's minimum wage increase will be entry-level workers in the following industries:

- eating and drinking places
- gasoline service stations
- retail stores
- lodging places
- nursing homes
- food processing plants
- agriculture
- student employees of colleges

For more information on Oregon's minimum wage law, contact the Wage and Hour Division of the Bureau of Labor and Industries in Portland (phone 229-5735) or any of the Bureau's field offices. □

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

December 1990

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,497,500	1,407,500	90,000	6.0
Eugene MSA[2]	150,300	140,400	9,900	6.6
Medford MSA[3]	74,750	69,080	5,670	7.6
Portland PMSA[4]	693,900	664,100	29,800	4.3
Salem MSA[5]	138,000	129,300	8,700	6.3
Baker	6,830	6,250	580	8.5
Benton	39,410	37,610	1,800	4.6
Clatsop	18,460	17,220	1,240	6.7
Columbia	17,560	16,280	1,280	7.3
Coos	27,320	24,540	2,780	10.2
Crook	7,180	6,710	470	6.5
Curry	9,490	8,820	670	7.1
Deschutes	43,680	40,520	3,160	7.2
Douglas	46,770	41,120	5,650	12.1
Gilliam	990	970	20	2.0
Grant	4,280	3,970	310	7.2
Harney	4,100	3,770	330	8.0
Hood River	9,240	8,550	690	7.5
Jefferson	6,910	6,390	520	7.5
Josephine	26,640	24,310	2,330	8.7
Klamath	25,480	23,000	2,480	9.7
Lake	3,820	3,440	380	9.9
Lincoln	19,520	18,230	1,290	6.6
Linn	43,390	39,440	3,950	9.1
Malheur	12,280	11,580	700	5.7
Morrow	3,370	3,070	300	8.9
Sherman	710	670	40	5.6
Tillamook	9,440	8,740	700	7.4
Umatilla	28,770	26,490	2,280	7.9
Union	11,320	10,610	710	6.3
Wallowa	3,670	3,400	270	7.4
Wasco	9,270	8,360	910	9.8
Wheeler	610	540	70	11.5

[1]Not Seasonally Adjusted
[2]Lane County
[3]Jackson County
[4]Clackamas, Multnomah, Washington, Yamhill counties
[5]Marion and Polk counties

MINIMUM WAGES UNDER STATE LAW EFFECTIVE JANUARY 1, 1991

Federal (FLSA)	$3.80
Alabama	—
Alaska	4.30
Arizona	—
Arkansas	3.35
California	4.25
Colorado	3.00
Connecticut	4.25
Delaware	3.80
Florida	—
Georgia	3.25
Hawaii	3.85
Idaho	2.30
Illinois	3.80
Indiana	2.00
Iowa	4.25
Kansas	2.65
Kentucky	3.35
Louisiana	—
Maine	4.25
Maryland	3.80
Massachusetts	3.75
Michigan	3.35
Minnesota	3.95 & 3.80
Mississippi	—
Missouri	—
Montana	3.80
Nebraska	3.35
Nevada	3.80
New Hampshire	3.85
New Jersey	3.35
New Mexico	3.35
New York	3.35
North Carolina	3.35
North Dakota	3.40
Ohio	2.30
Oklahoma	3.80
Oregon	4.75
Pennsylvania	3.80
Rhode Island	4.25
South Carolina	—
South Dakota	3.35
Tennessee	—
Texas	3.35
Utah	3.80
Vermont	3.85
Virginia	2.65
Washington	4.25
West Virginia	3.35
Wisconsin	3.65
Wyoming	1.60

Source:

Division of State Standards Programs, Wage and Hour Division, Employment Standards Administration, U.S. Dept. of Labor

MISSION, GOALS AND VALUES

Pamela Mattson

(Editor's note: Pamela Mattson is the Administrator of the Oregon Employment Division.)

The Employment Division has just gone through an inclusive process involving all parts of the agency to set its mission, goals, and values.

It began in March 1990 when employees from all segments of the division met to establish a 60-Day Agenda made up of items that needed to be accomplished to make the agency more efficient and productive. The group also set goals for the division, priorities that it should seek to accomplish in the new decade. This became its Leadership Map of the '90s.

From that effort, a core group of team leaders began meeting to go through the process of writing the agency's mission, goals, and values. It was not an easy task — taking words, concepts, and ideas and translating them into the framework for the division. Numerous rewrites took place and input was received from all levels to make sure the words really said what employees meant.

The document was unveiled at Charting Our Course Day on November 27 where managers and employees from all parts of the division gathered along with special guests including Governor-elect Barbara Roberts to talk about what the words mean and how they will be put into place. Here is a sampling of the document:

"The mission of the Employment Division is to promote employment of Oregonians through development of a diversified, multi-skilled work force while providing support during periods of unemployment."

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It should not be understated that this is an enormous task and one that should not be taken lightly. In order to accomplish this mission, the division has focused on three key goals:

- assist Oregonians in finding jobs that make the optimum match of their skills to employers' requirements;
- sustain Oregonians in their communities during times of unemployment through timely delivery of accessible

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Nov.[2] 1990	Oct.[3] 1990	Nov. 1989	Nov.[2] 1990	Oct.[3] 1990	Nov. 1989	Nov.[3] 1990	Oct.[3] 1990	Nov. 1989
TOTAL MANUFACTURING[4]	$442.91	$452.40	$422.37	39.3	40.0	39.0	$11.27	$11.31	$10.83
Durable Goods	443.74	465.41	429.55	39.2	40.4	39.3	11.32	11.52	10.93
Lumber & Wood Products	427.08	436.36	430.34	38.2	39.1	38.7	11.18	11.16	11.12
Logging & Sawmills	451.79	474.00	457.82	37.4	39.5	38.7	12.08	12.00	11.83
Veneer & Plywood	409.64	410.13	423.26	38.0	37.8	39.3	10.78	10.85	10.77
Millwork & Structural	375.25	374.14	359.67	39.5	39.3	37.9	9.50	9.52	9.49
Mobile Homes	394.13	378.68	365.88	40.8	40.2	39.3	9.66	9.42	9.31
Other Wood Products	446.29	432.00	429.39	39.6	40.0	38.1	11.27	10.80	11.27
Furniture & Fixtures	373.12	389.38	386.54	37.2	38.1	38.5	10.03	10.22	10.04
Primary Metals	544.32	526.61	506.72	42.0	41.4	41.5	12.96	12.72	12.21
Fabricated Metals	410.94	413.03	401.56	39.1	39.6	39.1	10.51	10.43	10.27
Machinery (Ex Electrical)	439.48	445.36	443.69	39.1	39.8	39.9	11.24	11.19	11.12
Nondurable Goods	441.94	419.64	401.96	39.6	39.0	38.1	11.16	10.76	10.55
Food & Kindred Products	358.11	339.58	326.16	38.3	37.9	36.2	9.35	8.96	9.01
Canning & Preserving	304.81	294.38	269.35	37.4	37.5	34.4	8.15	7.85	7.83
Other Food Products	428.87	420.28	412.23	39.6	38.7	39.0	10.83	10.86	10.57
Textile Mill Products	283.08	294.58	260.98	39.1	40.8	36.5	7.24	7.22	7.15
Apparel	274.25	261.85	269.84	38.9	37.3	40.7	7.05	7.02	6.63
Paper & Allied Products	675.21	656.78	636.00	42.6	41.7	42.4	15.85	15.75	15.00
Printing & Publishing	497.62	492.96	441.97	39.4	39.0	36.8	12.63	12.64	12.01
Construction[4]	572.57	608.30	554.30	36.4	38.5	36.3	15.73	15.80	15.27
Communications & Utilities[5]	581.81	586.70	543.66	40.8	40.8	41.0	14.26	14.38	13.26
Trade[5]	325.77	322.85	317.28	34.4	34.2	34.3	9.47	9.44	9.25
Wholesale Trade	433.17	431.66	428.96	37.7	38.2	38.3	11.49	11.30	11.20
Retail Trade	271.91	266.94	261.95	32.8	32.2	32.3	8.29	8.29	8.11
Banking & Insurance[5]	369.82	361.24	341.77	36.4	36.6	35.9	10.16	9.87	9.52
State & Local Government	413.32	416.69	399.63						

[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
[2]Preliminary
[3]Revised
[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

services and benefits;

- help people move to higher levels of employment by assisting their career development and providing up-to-date job market information.

These three goals focus on the key elements of the Employment Division — Employment Service, Unemployment Insurance, and Labor Market Information. All three are integral in accomplishing the agency's mission and play key roles.

In order to accomplish these goals the division has focused on four key areas: customer service, employer service, future work force, and employee growth. We have set forth specific targets by which to meet these goals — from better serving customers by streamlining, creating new services, and using current technology to placing top priority on staff training.

A set of values was also listed centering on commitments to customers, the public, the organization, and to each other. These values are the core of the "way we do business around here." They run the gamut from respecting the users of our services as valued customers, upholding the highest ethical standards in all we do, and making the division a model work place to building a work environment that allows free expression of opinions, suggestions, and complaints.

Some of these concepts will be easily achieved; others will take time to accomplish. But the point is that the agency now has a road map to follow, a direction pointing toward where it should go and, through these words, a means of getting there. Although those who put together this document would disagree, the hard part is facing the division now — putting this document into actions.

That process has begun. With the division's mission, goals, and values in place the standards now exist by which the agency chooses to be measured today and in the future. □

JSEC SEMINARS

IN THE WORKPLACE CULTURAL DIVERSITY
Portland Travel Lodge
Portland, Oregon
February 14 . . . 8:00 a.m. - 11:30 a.m.
Call Jerry Fugere, phone 280-6004
or Martin Burrows, North Portland
Employment Division, phone 280-6046

PERFORMANCE APPRAISALS — THAT WORK
Chumaree Comfortel
Salem, Oregon
February 14 . . . 7:30 a.m. - 11:45 a.m.
Call Brenda Shepherd, phone 378-4543
or Laverna Bauguess, phone 472-5118

MANAGING CHANGE
Holiday Inn, South
Wilsonville, Oregon
February 20 . . . 7:15 a.m. - 11:30 a.m.
Call Cathie Moravec or Jerry Howard,
phone 657-2078

OREGON CAREERS

Technological and workplace changes have increased the need for career planning and sound decision-making. *Oregon Careers 1991* is a tabloid newspaper now available through the Employment Division that tracks the state's economy and changing labor force.

"Oregon Careers" is published annually to assist citizens of all ages who are making career plans and decisions. It includes employment outlook, wages, educational requirements, and sources of training for nearly 300 major occupations in the state. Other articles describe a variety of job search techniques and resources or programs that can assist Oregonians to prepare for their first or latest occupation.

Copies of "Oregon Careers" are routinely distributed to high schools, community colleges, Job Training Partnership offices, and Employment Division offices. Additional copies may be obtained by contacting Susan Bell, Research and Statistics Section, Employment Division, 875 Union Street NE, Salem, Oregon 97311. Telephone 378-6400 or toll free 800-237-3710 ext. 8-6400. □

LMI LABOR MARKET INFORMATION

STATE OF OREGON

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division,

Virlena Crosley, Assistant Administrator
Jeffry Hannum, State Economist and Editor
Kathi Groome, Typesetting
Carol Schmidt, Graphic Artist

Please send any address changes to Research & Statistics, LMI Programs Unit, Room 207, 875 Union Street NE, Salem, OR 97311 or phone (503) 378-8657

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